



OFFICE OF GOVERNOR MARK DAYTON

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Better Health for Every Dollar

Managed Care Contract Reform

Since Governor Dayton took office, the Dayton Administration has saved taxpayers over \$1 billion through managed care reforms including competitive bidding and a voluntary cap on profits. Governor Dayton's budget builds on these reforms to ensure that Minnesotans get the highest possible value for their public dollars, saving an additional \$59 million in the 2014-15 budget.

\$1 Billion in Savings for Minnesota Taxpayers

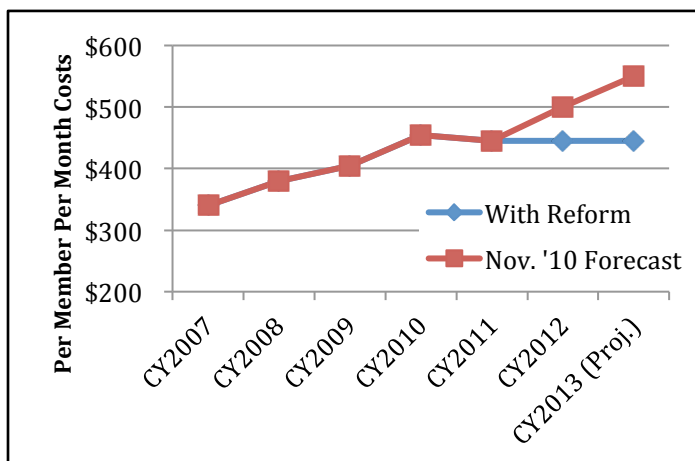
In 2012, roughly 600,000 elderly, disabled, and low-income Minnesotans received health care through publicly funded managed care programs. While these programs are vital to keeping Minnesota living healthy and productive lives, it is also important that Minnesotans receive the highest possible value for their health care dollars. The Governor's budget does both.

» **Saving More than \$1 billion.** Since 2011, the Department of Human Services (DHS) has generated over \$1 billion in taxpayer savings through managed care reforms, including competitive bidding for managed care contracting and negotiating a voluntary 1% cap on 2011 profits on managed care public programs.

» **Saving Another \$59 Million.** In the 2011 legislative session, a 2% growth cap was established for 2013 managed care contracts. But DHS has negotiated rates substantially lower. These lower rates are generating an additional \$59 million in taxpayer savings in the 2014-15 budget.

» **Demanding Accountability.** The Dayton Administration achieved these savings through aggressive negotiation of health plan rates by factoring in lower health care utilization, limiting allowable administrative expenses, and demanding more accountability from health plans to manage costs.

Bending the Cost Curve – Saving Over \$1 Billion through Reform



Contracting Reform	Savings (In Millions)
2011 – 1% profits cap	\$105
2012 – 2013 Reformed Contracting	\$949
Total Savings	\$1,054